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Kentucky Adopts New Test for Mortgage Professionals *DFI Is Now Using Uniform State Test*

FRANKFORT, Ky. – (April 1, 2013) –The Kentucky Department of Financial Institutions (DFI) is now using the new uniform state test component for mortgage loan originators and processors. DFI is among 25 state regulators to adopt the new test.

Previously, mortgage loan originators not only had to pass the national test component – they also had to pass a separate component for each state in which they wished to do business. The new, single, test with the uniform state component will satisfy the requirement for any or all of the 25 states in which it has been adopted.

“This new test makes the licensing process more efficient for those originators working in multiple states. It streamlines the supervisory process while continuing to protect citizens and ensure safety and soundness,” said DFI Nondepository Division Director Sarah Butler. “Through state-specific education requirements and regular examinations, we can continue to hold originators responsible for complying with Kentucky law.”

The majority of the new test component material focuses on the states’ authority to enforce violations of state and federal law and the states’ ability to penalize offenders. All mortgage loan officers registered in Kentucky are required to earn four hours of Kentucky-specific continuing education every other year.

Most of the 25 adopting states will begin using the test on April 1, and the remainder will begin using the test on July 1. Additional states are expected to adopt the uniform state content.

“Since testing was mandated in 2008, Kentucky DFI employees have been involved with developing and improving the mortgage testing and education system through NMLS. Several DFI employees have served on committees that developed and reviewed the tests and policies,” said DFI Commissioner Charles Vice. “We’re pleased to make the process more efficient while still ensuring that mortgage loan originators and processors operating in the state meet professional standards.”

The Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the SAFE Act) requires mortgage professionals to pass the SAFE test before they can be licensed through the NMLS¹ system. For more information on the new SAFE Mortgage Loan Originator National Test Component with Uniform State Content, visit:

<http://mortgage.nationwidelicensingsystem.org/profreq/testing/Pages/UniformStateTest.aspx>.

DFI, <http://kfi.ky.gov>, is an agency in the Public Protection Cabinet. For more than 100 years it has supervised the financial services industry by examining, chartering, licensing and registering various financial institutions, securities firms and professionals operating in Kentucky. DFI’s mission is to serve Kentucky residents and protect their financial interests by maintaining a stable financial industry, continuing effective and efficient regulatory oversight, promoting consumer confidence, and encouraging economic opportunities.

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NMLS¹ – NMLS is the Nationwide Mortgage Licensing System and Registry. NMLS is a web-based system that allows state-licensed nondepository companies, branches and individuals to apply for, amend, update or renew a license online for all participating state agencies using a single set of uniform applications.